



Rod R. Blagojevich, Governor
Barry S. Maram, Director

Illinois Department of Public Aid

201 South Grand Avenue East
Springfield, Illinois 62763-0001

Telephone: (217) 782-5565
TTY: (800) 526-5812

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INFORMATIONAL NOTICE

TO: Participating Medical Providers

RE: HIPAA Readiness February 2004 Update

In an informational notice dated December 12, 2003, the department informed providers of various billing changes related to HIPAA implementation. This notice reiterates information contained in the December 12, 2003, notice as well as identifies the department's plans to run dual systems, that can process the National Standard Format (NSF) or UB92 Flat File formatted claim transactions as well as the X12 formatted (837) claim transactions.

Providers are encouraged to refer to the department's Web site for information regarding HIPAA <<http://www.myidpa.com/hipaa/>>. The Web site is updated regularly with the latest developments as we move toward the implementation of HIPAA. For the department's latest notices and bulletins relating to HIPAA, providers are encouraged to refer to <<http://www.dpailinois.com/releases/>>.

837 Transactions Implementation

The department will continue to post the most current estimated and/or actual implementation dates on our HIPAA website <http://www.myidpa.com/hipaa/status_hipaa.html>. Electronic adjustments (Type of Bill Frequency Digit 7 and 8) will not be implemented with the 837 transactions. Additionally, claims requiring attachments must continue to be submitted on paper. Once the 837 transactions are implemented, IDPA will continue to accept the National Standard Format (NSF) and the UB92 Flat File for a limited time period. IDPA strongly encourages providers to communicate with their billing services, software vendors, and clearinghouses regarding their requirements relating to the expansions of the NSF and the UB92 Flat File. It has been brought to the department's attention that clearinghouses are beginning to incorporate HIPAA required data elements within the NSF and UB92 formats, and that edits are being applied to enforce these requirements.

Local Codes

Effective with dates of service on or after April 1, 2004, the department will require that providers submit standard HCPCS codes and modifiers. The department will continue to accept the state generated local codes and modifiers through dates of service March 31, 2004, with the exception of Durable Medical Equipment and Supplies. New code conversions for Durable Medical Equipment and Supplies were implemented and required, effective with dates of service on or after January 1, 2004.

Providers need to be aware that once the department converts to the new HCPCS and CPT codes and the two-byte modifiers, effective with dates of service on or after April 1, 2004, they will be required to utilize these new codes and modifiers in the NSF and/or 837P, depending on which transaction the provider chooses to submit. The use of these two-byte modifiers will require programming changes to the NSF, if providers choose to continue to use this format.

APL ICD-9-CM to HCPCS Conversion

Effective with dates of service on or after July 1, 2004, providers will be required to bill outpatient UB92/837I transactions using the new Ambulatory Procedures Listing (APL) HCPCS/CPT codes. The new APL will be available on the department's Web site by June 1, 2004 at <<http://www.dpallinois.com/reimbursement/apl.html>>.

Physicians Billing for Drugs

The eight (8) digit drug codes currently being used for billing of administered or dispensed drugs by physicians, clinics, and other providers will be utilized through dates of service March 31, 2004. Effective with dates of service on or after April 1, 2004, providers will be required to bill for these items using the appropriate HCPCS codes in the NSF or the 837P.

It is the responsibility of each provider to ensure that all material related to changes in the department's billing procedures, handbooks, etc. are shared with their software vendor, corporate help desk or information systems area.

If you have any questions concerning this notice, you may contact the Bureau of Comprehensive Health Services at 217-782-5565.

Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs